National Energy Board | Office national de l'énergie

National Energy Board

2015–16

Departmental Performance Report

C. Peter Watson, P.Eng. FCAE
Chair and CEO
National Energy Board

The Honourable Jim Carr, P.C., M.P.
Minister
Natural Resources

Canada

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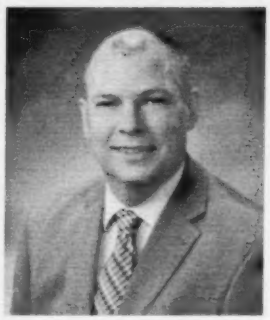


I am pleased to present the National Energy Board (NEB) *Departmental Performance Report for 2015-16*. This report demonstrates how the NEB has significantly changed its direction in 2015-16, and the way we do our work. This transformation has been built upon three Strategic Priorities: Engaging with Canadians, Taking Action on Safety and Leading Regulatory Excellence.

In 2015-16, the NEB implemented a National Engagement Initiative, which saw Board officials meeting with Canadians in their communities and listening to their views on pipeline safety and the NEB. The Initiative was new territory for the NEB, unprecedented in its history as a regulator, and it concluded with a report on what we learned, which focused on listening to and building better relationships with Canadians to ensure energy infrastructure is safe.

The NEB also opened new regional offices in Montréal and Vancouver in 2015-16, and major steps were taken to make dialogue a focal point of the organization.

The rapid pace of change in Canadian energy markets and climate policy development stressed the need for the NEB to dramatically improve its ability to share up-to-date analysis on energy supply and demand trends with its stakeholders. In response, the NEB moved forward in 2015-16 with a revolutionary data visualization project that will make the energy market information that the NEB produces readily accessible to all Canadians. We are taking huge steps in democratizing that information.

The data visualization project has given Canadians from every walk of life the ability to engage and explore the NEB's energy information products and data – in a powerful online form – to help them better understand these complex interactions through our analysis, reports, and statistics.

The NEB's firm commitment to Taking Action on Safety was illustrated in 2015-16 through a dynamic online safety performance portal. The portal features an interactive pipeline incident map where Canadians can view all pipeline incidents that have occurred in Canada since 2008. The portal also demonstrates the Board's commitment to transparency in its online inspection report feature where Canadians can access pipeline company field inspection reports, and the associated compliance summaries of NEB regulated companies.

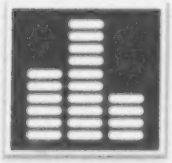
That commitment to transparency – and robust regulatory practice – was further demonstrated through the launch of the online NEB condition compliance table in 2015-16. These actions clearly show that the NEB holds itself to a high standard.

The NEB's commitment towards transformation requires clear governance, robust operating practices and accountabilities for all of its activities. In 2015-16, the NEB implemented both a *Board Member Operating Model* and a *Management System Manual* that clearly state what the responsibilities, accountabilities, and key processes are for Board Members as well as the NEB's management team. It provides clarity on areas where Board Members can interact with staff and management, and clear lines of sight on the decision-making structure of each of those groups.

2015-16 has been an eventful year at the NEB. More than ever before, we have found ourselves under scrutiny for everything we do, and how we do it. We have worked diligently, within the confines of our legislation, to deliver our mandate. Some have praised us for the progress we have made, and many have criticized us for not moving far enough, fast enough. We continue to learn from this feedback, and we welcome the Government's NEB Modernization Initiative as an opportunity to improve us as Canada's energy infrastructure regulator.

C. Peter Watson, P. Eng. FCAE
Chair and CEO
National Energy Board

Results Highlights



Funds used

$82,396,568

Number of staff involved

457
Full-Time Equivalents (FTE)

Highlights

Transformation

The NEB embarked on a transformative agenda that is aligned with its strategic priorities. This included increased transparency of regulatory and safety information, re-organization of resources, enhanced stakeholder engagement, updated IT systems and increased clarity and principles around Board operations and management, and regulatory excellence.

Regional Offices

Regional offices in Vancouver, British Columbia and Montréal, Québec were established and staffed for engagement and operations field work. The NEB now has a total of three regional offices including Yellowknife, Northwest Territories.

Data Visualization Project

In February 2016 the NEB began its work on a pilot concept to create interactive visualizations of its Energy Futures 2016 report data, a cornerstone report for the NEB. The objective was to present the data in an interactive graphic format that is user-friendly and clarifies complex information into "visualizations" that are accessible to the public. Released in May 2016, initial informal feedback, supported by usage statistics, suggests a keen interest in the visualizations.

Based on the lessons learned from the pilot, the NEB intends to develop over time additional visualizations focusing on: pipeline safety and lifecycle regulation, infrastructure mapping and further energy information. Delivering interactive data visualizations will support the NEB's efforts to modernize its approaches to meaningfully engage the public and to support an informed energy dialogue.

The data visualization project works to democratize information and integrates well with the federal government's Open Government project, which focuses on creating greater transparency, increasing citizen engagement, and driving innovation. It also blends with the Open Data project, also being driven by the federal government, which works to make data more available, accessible, and open for re-use and redistribution.

National Engagement

The NEB took a new and broad approach to engaging Canadians face-to-face through the National Engagement Initiative. The feedback the NEB's CEO received during meetings with municipal and provincial leaders, First Nations Chiefs, Band Councils, environmental groups, first responders, academics and various organizations were summarized in a report published in December 2015.

The report reflects the feedback and common themes that emerged from across the country and the steps NEB will take to respond. By informing Canadians about energy regulation, the NEB also learned from attendees that they want ongoing two-way dialogue with the NEB and industry about the safety of federally regulated energy infrastructure.

Section I: Organizational Overview

Organizational Profile

Appropriate Minister:
The Honourable Jim Carr, P.C., M.P.

Institutional Head:
C. Peter Watson, P.Eng. FCAE

Ministerial Portfolio:
Natural Resources

Enabling Instrument(s):
National Energy Board Act (NEB Act)[i]

Year of Incorporation / Commencement:
1959

Headquarters:
Calgary, Alberta

Regional Offices:
Montréal, Québec
Vancouver, British Columbia
Yellowknife, Northwest Territories

Organizational Context

Raison d'être

The National Energy Board (NEB or Board) is an independent federal, quasi-judicial regulatory tribunal established in 1959 to promote safety and security, environmental protection and economic efficiency in the Canadian public interest within the mandate set by Parliament for the regulation of pipelines, energy development and trade.

Responsibilities

The main responsibilities of the NEB are established in the NEB Act and include regulating:

- The construction, operation, and abandonment of pipelines that cross international borders or provincial/territorial boundaries, as well as the associated pipeline tolls and tariffs;
- The construction and operation of international power lines and designated interprovincial power lines; and
- Imports of natural gas and exports of crude oil, natural gas liquids (NGL), natural gas, refined petroleum products and electricity.

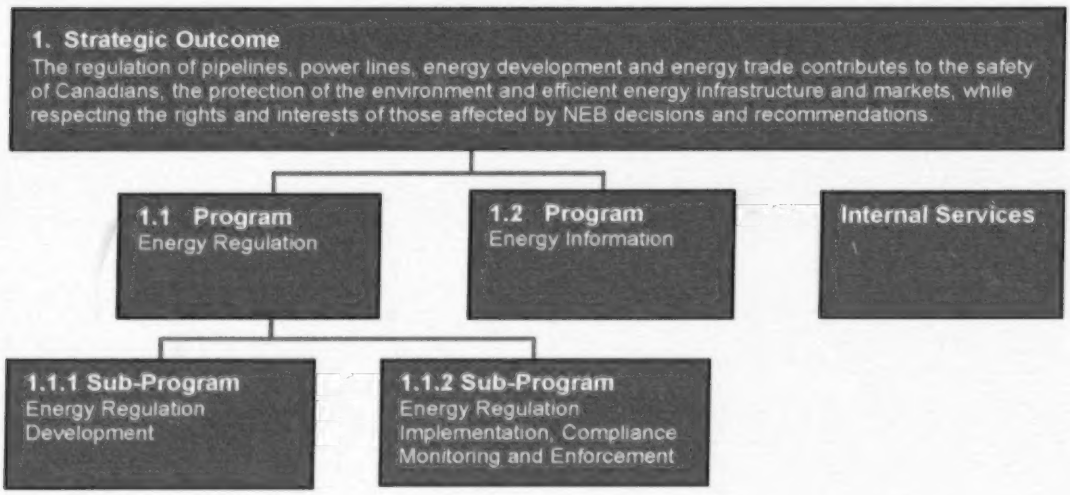
Additionally, in specified areas[1] the Board has regulatory responsibilities for oil and gas exploration and production activities under the ***National Energy Board Act***, the *Canada Oil and Gas Operations Act* (COGOA)[ii], the *Canada Petroleum Resources Act* (CPRA)[iii], and the North West Territories' *Oil and Gas Operations Act* (OGOA)[iv] and *Petroleum Resources Act* (PRA)[v].

The NEB conducts environmental assessments (EA) during its review of applications for projects under its jurisdiction. For certain projects, the Board also conducts environmental assessments as required by federal legislation, such as the *Canadian Environmental Assessment Act, 2012* (CEAA 2012)[vi], the *Mackenzie Valley Resource Management Act*[vii], the ***Inuvialuit Final Agreement*** or the ***Nunavut Land Claims Agreement***. Certain Board inspectors are designated Health and Safety Officers by the Minister of Labour to administer Part II of the *Canada Labour Code*[viii] as it applies to NEB-regulated facilities and activities.

1. Areas to which such responsibilities relate include Nunavut; Sable Island; the Inuvialuit Settlement Region onshore; that part of the onshore that is under the administration of a federal minister (including Norman Wells Proven area and other miscellaneous parcels); that part of the internal waters of Canada or the territorial sea of Canada that is not situated in a province or territory other than the Northwest Territories, or in that part of the onshore that is not under the administration of a federal minister; and the continental shelf of Canada, but does not include the adjoining area as defined in section 2 of the *Yukon Act*.

The Board also monitors aspects of energy supply, demand, production, development and trade. The Board reports to Parliament through the Minister of Natural Resources.

Strategic Outcome(s) and Program Alignment Architecture


1. Strategic Outcome
The regulation of pipelines, power lines, energy development and energy trade contributes to the safety of Canadians, the protection of the environment and efficient energy infrastructure and markets, while respecting the rights and interests of those affected by NEB decisions and recommendations.
1.1 Program
Energy Regulation
1.2 Program
Energy Information
Internal Services
1.1.1 Sub-Program
Energy Regulation Development
1.1.2 Sub-Program
Energy Regulation Implementation, Compliance Monitoring and Enforcement

Note that the NEB is working on a Departmental Results Framework based on the new Treasury Board *Policy on Results*. This will replace the program structure above, align resources with priorities and results and the NEB will be able to show closer alignment between its key responsibilities and expected performance.

Operating Environment and Risk Analysis

In 2015-16, the NEB regulated approximately 73,000 kilometers of interprovincial and international pipelines in Canada, along with approximately 1,400 kilometers of international power lines.

In 2015, NEB-regulated pipelines shipped approximately $99.7 billion worth of crude oil, petroleum products, natural gas liquids, and natural gas to Canadian and export customers at an estimated transportation cost of $7.3 billion. NEB-regulated international power lines transmitted approximately $3.4 billion of electricity into and out of Canada.

The operating environment for the NEB's context continued to evolve in 2015-16 due to unprecedented uncertainty in energy markets. Among the many factors contributing to this uncertainty were rapidly changing energy production technologies, and geopolitical events that affect global energy supplies and prices. Canada exported record volumes of

crude oil in 2015, with the vast majority going to the U.S., but the value of the exports declined due to low prices.

Public interest in the interactions between energy infrastructure, safety and environmental protection remained high throughout 2015-16. Energy systems and the dialogue around them are becoming increasingly complex. Public and private stakeholders want – and increasingly expect – to be part of that dialogue. They also want accessible and transparent energy information.

2015-16 also saw a shift in the policy environment including the announcement of new climate policies and agreements, as well as Government of Canada commitments to improve environmental assessment and regulatory processes, and restore public trust. The Government implemented interim principles in January 2016 for projects currently undergoing environmental assessments and announced a review to modernize the NEB.

Within this evolving context the NEB has re-aligned its resources and structure to focus and clearly define the outcomes and performance that Canadians should expect as the Board delivers its regulatory mandate. The Board is placing a strong focus on results, which will enable it to more meaningfully track and report on the progress of commitments, assess the effectiveness of its work, and ensure that resources continue to be aligned with priorities. The NEB is also supporting and informing the NEB modernization review, and is committed to helping to renew public trust in our processes and activities.

Key Risks

Risk	Risk Response Strategy	Link to the Organization's Program(s)
Due to several drivers such as an increase in the transportation of oil and gas products, there is a risk that an incident at a regulated company could result in a serious injury, fatality(ies) or significant environmental damage	• Monitored compliance through an increased number of risk-informed verification activities (378 in 2015-16, an increase from 335 in 2014-15). • Audited five regulated companies to verify effectiveness of their management systems. • Inspection Officers applied enforcement tools for all issues of non-compliance. • Communicated safety culture indicators to regulated companies. • Promoted effective emergency management response to regional authorities. Risk identified in the 2015-16 RPP Strategies reduced risk exposure	1.1 Energy Regulation
Due to increased national and international interest in pipelines and the use of NEB processes to voice concerns on Canada's energy future, there is a risk of inaccurate or incomplete information about the NEB or NEB-regulated facilities communicated to Canadians by third parties	• Improved web-based information on pipeline safety: Interactive Pipeline Incident Map, Event Reporting System, Inspection Reports. • Produced accurate, reliable energy information products and made them available to external stakeholders and the public. • Increased regional engagement with stakeholders through regional offices. Risk identified in the 2015-16 RPP Strategies reduced risk exposure.	1.1 Energy Regulation 1.2 Energy Information
Due to several factors including increasing public interest in pipelines, there is a risk of a physical security incident at a hearing involving NEB staff, Board Members or the public	• Developed and implemented hearing-specific risk management plans. • Monitored hearings daily. • Conducted pre-hearing recognizance trips. • Conducted regular integrated security briefings. • Increased engagement with communities impacted by NEB regulated facilities. Risk identified in the 2015-16 RPP Strategies reduced risk exposure.	1.1 Energy Regulation
Due to several drivers such as the fact that NEB activities are not always visible to the public and the lack of NEB presence across Canada, there is a risk that the NEB will fail to engage effectively with Canadians	• Completed National Engagement Tour. • Increased regional engagement with stakeholders by establishing regional offices. • Developed NEB engagement strategy. Risk identified in the 2015-16 RPP Strategies reduced risk exposure	1.1 Energy Regulation

Risk	*Risk Response Strategy*	Link to the Organization's Program(s)
Due to aging business applications, there is a risk that business systems are no longer aligned with business needs and cannot support business requirements	• Updated system inventory to confirm alignment and ongoing need of systems. • Applied portfolio management for systems improvement and development. • Adopted and implemented government-wide systems (Phoenix, My GCHR). Risk identified in the 2015-16 RPP Strategies reduced risk exposure	1.1 Energy Regulation Internal Services

Organizational Priorities

Take Action on Safety

Description

The NEB will always focus on safety and environmental protection. It is important to demonstrate to Canadians that the NEB holds companies accountable for safety of workers and the public, process safety, operational safety, facility integrity, security and environmental protection. Going beyond compliance is essential. The NEB is focusing on using data and analysis to drive and shape regulatory programs and influence the dialogue on safety and safety culture. This work also supports the government's priority for openness and transparency by increasing the information made publicly available both on safety topics and the actions the NEB takes to oversee and regulate safety and environmental protection. Actions in support of this priority help to increase Canadians' confidence that the NEB is effectively fulfilling its mandate.

Priority Type[2]

Ongoing

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
• Develop and implement an enhanced external Safety Culture framework and collaborate with other regulatory agencies on this initiative.	June 2014	March 2016	completed	1.1 Energy Regulation
• Plan and hold technical sessions to publically discuss safety.	March 2015	June 2015	completed	
• Improve quality of regulatory data.	April 2015	March 2017	on track	
• Use enhanced data analysis to inform improvement of regulatory programs for safety and protection of the environment.	April 2015	March 2017	on track	
• Transparently communicate how the NEB prevents incidents and fosters the development of effective industry safety culture.	April 2015	March 2017	on track	

2. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Progress Toward the Priority

Progress against this priority has been made this past year by working on and implementing planned initiatives. For example:

- In June 2015, the NEB hosted a Pipeline Safety Forum which brought together over 400 attendees from a variety of backgrounds to exchange information and discuss opportunities for improved safety outcomes. Speakers representing industry, municipalities, landowner associations, academia and first response organizations addressed themes such as safety culture strategies, knowledge sharing, stakeholder concerns, public awareness and other technical solutions to address risks.

- The NEB increased efficiency of its processes by developing and piloting a new interface for field inspections and incident investigations called Operations Regulatory Compliance Application (ORCA). This form-driven tool can be accessed by NEB staff during field work through a tablet or laptop and it improves the NEB's ability to collect, track and access accurate information. It moves the NEB away from a paper-based reporting system and streamlines the work of inspectors. It is also notifies and updates companies regarding the status of compliance and enforcement actions.

- Improving data quality and analysis is an ongoing initiative and the implementation of ORCA puts the NEB on track to achieving this result. Over the next year as ORCA is regularly used, more data will be incorporated and analyzed to inform regulatory program improvements and actions in support of safety and protection of people and the environment.

- As a result of NEB investigations, observations, data collection on incidents, and the actions of other regulators the NEB issued three safety advisories[ix] and two information advisories[x] in 2015-16. Safety and information advisories are issued to NEB-regulated companies, energy associations and provincial regulators to raise awareness about a safety concern and provide recommendations for preventative action.

- The NEB improved its Emergency Management (EM) Systems by developing EM capacity in the regional offices, increasing the number of EM meetings with key stakeholders and issuing a Board Order requiring regulated companies to publish their emergency procedures manuals by fall 2016.

- The NEB developed and implemented a best practice with its new Confidential Disclosure (Whistleblower) Process[xi], which formalizes the way it receives, tracks and acts on confidential disclosures on regulated pipelines and facilities.

- In collaboration with the North American Regulators Working Group on Safety Culture (NARWGSC) a suite of safety culture indicators[xii] was published in March 2016.

With modernized IT systems, improved data quality and processes and the capacity and expertise to analyze data, the NEB will continue its conversation on safety culture, measure safety outcomes and demonstrate to the public how the steps the NEB takes can influence industry and regulated companies performance on safety and environmental protection.

Engaging with Canadians

Description

The views of Canadians matter. What the NEB heard during the National Engagement Initiative is that it needs to do a better job of listening to those views as a part of our regulatory lifecycle oversight. Canadians want to be better informed about, and engaged in, the NEB and its processes, plans and decisions about pipeline operations – especially at a regional level. This means the NEB will incorporate public engagement throughout the lifecycle of energy infrastructure regulation, with a particular focus on Indigenous communities, landowners, and municipalities.

Priority Type[3]

New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
• Establish an engagement framework for non-application purposes.	July 2015	March 2017	on track	1.1 Energy Regulation 1.2 Energy Information
• Develop and implement a framework for the use of public feedback in NEB work.	April 2015	March 2017	on track	
• Establish points of presence (regional teams) in key locations.	April 2015	March 2016	completed	
• Deliver on the NEB's National Outreach Initiative.	January 2015	June 2015	completed	
• Continue to provide Canadians with accurate and relevant energy information.	April 2015	March 2016	completed	
• Implement protocols and new tools to share information.	April 2015	March 2016	completed	

Progress Toward the Priority

Progress against this priority has been made this past year by implementing and working on planned initiatives. For example:

- The NEB has moved forward on its strategic engagement program and is nearing completion of an engagement framework that will further the goal of engaging Indigenous Peoples, landowners, regions and communities on what the NEB does to keep energy infrastructure safe. Full implementation of the engagement program is expected in the fall of 2016 when the NEB has fully implemented its new organizational structure.

- The NEB work with the Land Matters Group (LMG) continued throughout 2015-16. The

3. Refer to footnote number two.

LMG is a multi-stakeholder advisory group with a focus on issues relating to land associated with pipeline development. Representation includes landowners/landowner groups or associations, government, energy infrastructure industry, land professionals and the academic community.

- In 2015-16, the NEB moved forward with a data visualization project that will make the energy market information that the NEB produces readily accessible to all Canadians. The project gives Canadians the ability to engage and explore the NEB's energy information products and data – in a powerful online form[xiii] – to help them better understand these complex interactions through our analysis, reports, and statistics.
- The NEB has significantly expanded its use of Twitter to engage Canadians and plans to expand its social media use to other platforms in the near future. In the six month period from February to August 2016, the NEB has achieved the following results on Twitter: tweeted 537 times, gained 1,100 new followers, and had over 2,300 engagements.
- On the NEB's Twitter accounts Canadians can find information on energy statistics, hearing processes, and lifecycle regulatory work. The NEB also livestreamed its TMX recommendation report press conference over Twitter using Periscope. Expanding the NEB's social media presence and creating innovative and engaging social media content will continue to be a priority of the Communications and Engagement Business Unit in 2017.
- The NEB released *Engaging Canadians on Pipeline Safety*[xiv] to summarize what the NEB's CEO heard during the National Engagement Tour across Canada from January to June 2015 as well as feedback that was provided by the public through an online discussion forum hosted on the NEB website. The report highlights the common themes and steps the NEB will take to address this feedback.
- The NEB has started to provide additional pipeline information on its website for the status of conditions[xv] on approved pipeline projects. Online inspection reports are also being published to the NEB's Compliance and Enforcement webpage[xvi] as of November 2015.

Regional Offices

Having established regional offices in Vancouver and Montréal with staff that have technical expertise in engagement and operations field work, the NEB improved its regional presence and ability to readily respond to safety concerns. Adding to a regional presence that already includes Yellowknife, the opening of these new offices leads to improving engagement with stakeholders and relationships with municipalities, communities, landowners, and Indigenous Peoples.

Lead Regulatory Excellence

Description

The NEB is striving for regulatory excellence based on a foundation of the following three attributes that are embedded in all that we do:

- **Stellar Competence** – Ensuring that NEB employees have the knowledge, capabilities, and tools required to fully serve the public interest;
- **Empathic Engagement** – Ensuring that our engagement with the public is transparent and respectful, through strong links to our engagement strategy; and
- **Utmost Integrity** – Improving our ability to serve the public interest by clarifying governance, while ensuring we work within the applicable legal framework.

We are undertaking corporate transformation activities to ensure a "Plan, Do, Check and Adjust" management cycle exists at a systemic level. By planning for, and measuring how well we are achieving results for Canadians, with these attributes in mind, we will be better able to demonstrate to Canadians that we are an effective and responsive regulator.

Priority Type[4]

New

Key Supporting Initiatives

Planned Initiatives	Start Date	End Date	Status	Link to the Organization's Program(s)
• Define regulatory excellence for the NEB, including criteria and assessment parameters. • Develop and implement a framework for regulatory excellence. • Collaborate with other regulators to define regulatory excellence.	April 2015	March 2017	on track	1.1 Energy Regulation 1.2 Energy Information Internal Services
• Assess the NEB's effectiveness as both a regulator and an organization and implement improvements.	April 2015	March 2017	on track	
• Define criteria and measures to evaluate and implement an internal culture of safety. • Support internal culture of safety and environmental protection with strong governance and decision-making.	July 2016	October 2017	on track	
Progress Toward the Priority				

4. Refer to footnote number two.

Progress against this priority has been made this past year by implementing and working on planned initiatives. The NEB has engaged peer regulators, leveraged learnings from international fora and is translating these best practices into its own framework for regulatory excellence.

- The NEB has taken action by collaborating with several provincial/territorial and federal regulators to define regulatory excellence and share best practices and solutions to common challenges. The NEB contributed to the Alberta Energy Regulator's research to define regulatory excellence and general framework for implementation. The NEB reviewed the research and discussed its findings with peer regulators. The attributes of stellar competence, utmost integrity and empathic engagement were rigorously tested and were adopted as the foundation of the NEB's work. Next steps in 2016-17 will include implementation in association with the NEB's *Management System Manual*.

- Internally, the NEB is applying the attributes of regulatory excellence to our regulatory processes and activities. The NEB released a *Board Member Operating Model*[xvii] in February 2016 in order to clarify NEB governance and processes.

- The NEB also worked towards a *Management System Manual* which is a companion piece to the *Board Member Operating Model*. The attributes of regulatory excellence, along with the Public Service Values, are the foundation of the NEB's work. The intent is to describe the applicable management system principles and the governance structure used to carry out NEB responsibilities. Implementation is planned in 2016-17.

- Regulatory excellence is a continual pursuit; the NEB's contribution to, and participation in, expert fora continues to be an invaluable resource for learning and showcasing best practices.

- Arctic Offshore Regulators Forum
- Canadian Common Ground Alliance
- Community of Federal Regulators
- International Regulators' Forum
- North American Cooperation on Energy Information
- North American Energy Regulators Trilateral
- North American Regulators Working Group on Safety Culture
- Organization of Economic Cooperation and Development (OECD)
- Pipeline Safety Trust
- Public Policy Forum
- Western Regulators' Forum

Results from participation in these forums:

- The NEB led the Safety Culture Working Group and indicators project in collaboration with the North American Working Group on Safety Culture.

- The NEB partnered with the Public Policy Forum, the Alberta Energy Regulator and the Canadian Nuclear Safety Commission to convene three expert meetings to discuss the future of energy regulation in Canada and what it means to achieve regulatory excellence.

- The NEB joined the OECD's Network of Economic Regulators as an official member and offers a pan-Canadian voice to the dialogue. The NEB was appointed to the Bureau of this network and contributes to discussions on issues such as regulatory independence, sustainable growth and development, regulatory accountability and transparency, and management best practices.
- The NEB chaired the North American Regulators Working Group on Safety Culture on a monthly basis and advanced the safety culture discussion regarding regulated

entities. The group is also examining safety culture within a regulatory operating environment and the NEB is leading the process to develop a research project protocol to define the attributes of positive regulatory safety culture which support the development of a self-assessment tool.

- The NEB is an active participant in the Community of Federal Regulators. It frequently hosts activities and, as the regional champion, actively engaged in workshops and speaker series, including the Community of Federal Regulators' Annual National Workshop. The NEB promoted participation in Communities of Practice and projects related to openness and transparency, regulatory professional development, administrative monetary penalties, web renewal and a regional outreach strategy.

For more information on organizational priorities, see the Minister's mandate letter.[xviii]

Section II: Expenditure Overview

Actual Expenditures

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	Difference (actual minus planned)
76,820,510	77,550,511	96,437,428	82,396,568	4,846,057

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
471.2	457.5	(13.8)

Budgetary Performance Summary

Budgetary Performance Summary for Programs and Internal Services (dollars)

Program(s) and Internal Services	2015–16 Main Estimates	2015–16 Planned Spending	2016–17 Planned Spending	2017–18 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2014–15 Actual Spending (authorities used)	2013–14 Actual Spending (authorities used)
1.1 Energy Regulation Program	49,588,459	52,632,974	61,322,894	44,906,857	62,723,358	43,185,092	45,310,493	47,970,746
1.2 Energy Information Program	5,982,273	5,620,814	7,648,605	7,018,161	8,475,092	9,018,344	6,567,390	6,156,305
Subtotal	**55,570,732**	**58,253,788**	**68,971,499**	**51,925,018**	**71,198,450**	**52,203,436**	**51,877,883**	**54,127,051**
Internal Services	21,249,778	19,296,723	24,633,776	21,920,428	25,238,978	30,193,132	35,443,200	27,555,630
Total	**76,820,510**	**77,550,511**	**93,605,275**	**73,845,446**	**96,437,428**	**82,396,568**	**87,321,083**	**81,682,681**

There was an increase of $4.8 million in actual spending during 2015-16 compared to planned spending. This is mainly due to increased stakeholder engagement for the NEB's National Engagement Initiative, safety and environmental protection activities, development and implementation of the Operations Regulatory Compliance Application (ORCA), as well as the development of new governance tools to support the NEB's strategic outcome.

The NEB's total spending authority increased to $96.4 million from planned spending of $77.5 million in 2015-16. This increase stems from Budget 2015 which foresaw an increase of $80 million to the appropriations of the NEB for safety and environmental protection and engagement with Canadians. This funding is divided over five years and approximately $18.1 million (23%) was allocated to 2015-2016.

The $18.1 million was only available to the NEB very late in the fiscal year (March 2016), because Parliament voted the funds later than usual due to the federal election in October 2015. This further delayed the actual receipt of the funding by the NEB and as a result only $5.9 million of the funds could be used. A small organization like the NEB needs lead time to spend such extensive increases in a timely fashion, as it has little flexibility to risk-manage large amounts of spending without Parliamentary authorization.

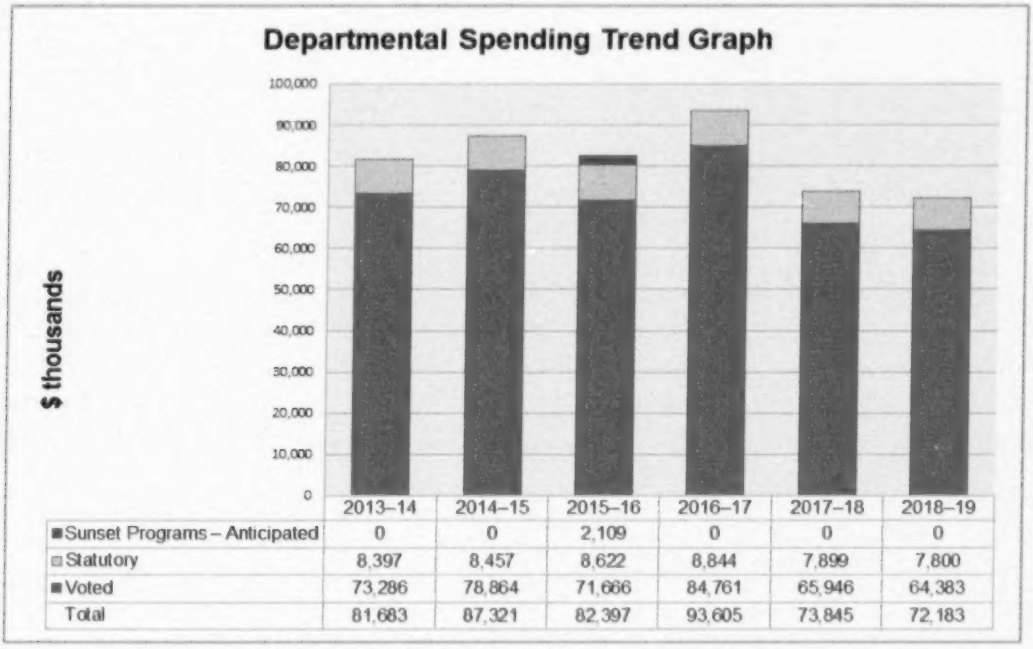
While the NEB had total authorities of $96.4 million, actual spending was $82.4 million which resulted in a lapse of $14 million as follows:

- $12.2 million attributed to late Parliamentary authorization of Budget 2015 funding; and
- Approximately $5 million resulted from delays beyond the control of the NEB for major applications (Energy East and Imperial).

These lapses were partially offset by $3.2 million which was absorbed for eligible paylist and collective bargaining amounts. Despite the total lapse of $14 million, the NEB was able to deliver on all programs.

FTEs and associated salaries from Legal Services and Communications Business Unit were part of planned spending in the Energy Regulation Program in the 2015-16 RPP, however these FTEs were moved into Internal Services and thus account for the variance between actual and planned spending.

Departmental Spending Trend



	2013–14	2014–15	2015–16	2016–17	2017–18	2018–19
Sunset Programs – Anticipated	0	0	2,109	0	0	0
Statutory	8,397	8,457	8,622	8,844	7,899	7,800
Voted	73,286	78,864	71,666	84,761	65,946	64,383
Total	81,683	87,321	82,397	93,605	73,845	72,183

The Spending Trend Graph shows the NEB's actual spending (2013-14 through 2015-16) and planned spending (2016-17 through 2018-19).

The NEB's expenditures in 2015-16 show a decrease of $4.9 million from the prior fiscal year, due to the difference in increased spending in some areas and decreased spending in others, primarily in the following:

- Increased salaries ($2.2 million);
- Increased cost of Information Technology services ($1.3 million) mainly related to: stakeholder engagement initiatives; safety and environmental protection; the implementation of government-wide systems such as Phoenix, the pay system; My GCHR, the Human Resource Information Technology application; Canada.ca; and Open Government;
- A decrease in the amount of severance termination benefits paid out the previous year due to the elimination of the employee severance pay program in 2014-15 ($4.6 million);
- Decreased costs associated with the move to a new office in Calgary ($3.4 million); and
- Decreased costs for general goods and services such as training, and hospitality ($0.4 million).

2017-18 planned spending is $19.8 million less than 2016-17 planned spending. This is mainly due to:

- The expiration of temporary funding from Treasury Board Submissions 2012 and 2014 at the end of 2016-17 ($5.7 million) that was for NEB safety and security programs as well as public awareness;
- The expiration of temporary funding for Mega Projects, the majority of which expires at the end of 2016-17 ($6.4 million);
- Decreased funding for the Operating and Maintenance portion of Budget 2015 which was front-end loaded with contracting and training to ramp-up initiatives related to safety and environmental protection and engaging with Canadians ($4.0 million); and
- Decreased funding for operational budget carry forward from 2016-17 to 2017-18 as it is expected the NEB's full appropriation will be spent in 2016-17 ($3.3 million).

Approximately 95 percent of the NEB's appropriations are recovered from regulated companies and monies go directly to the Consolidated Revenue Fund by virtue of the *National Energy Board Cost Recovery Regulations*[xix], enacted pursuant to Section 24.1(1) of the *National Energy Board Act*. The NEB does not have the authority to unilaterally raise its ratio for cost recovery from regulated companies. Parliament would make that decision.

The NEB does not currently recover costs related to its work under the *Canada Oil and Gas Operations Act* (COGOA) and the *Canada Petroleum Resources Act*, which currently represent about 5 percent of the NEB's operating costs. The *Energy Safety and Security Act*, which came into force on 26 February 2016, allows the Governor in Council to make regulations to recover costs from COGOA-regulated companies.

Expenditures by Vote

For information on the National Energy Board's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2016*.[xx]

Alignment of Spending With the Whole-of-Government Framework

Alignment of 2015–16 Actual Spending With the Whole-of-Government Framework[xxi] (dollars)

Program	Spending Area	Government of Canada Outcome	2015–16 Actual Spending
1.1 Energy Regulation	Economic affairs	Strong economic growth	43,185,092
1.2 Energy Information	Economic affairs	Strong economic growth	9,018,344

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic affairs	58,253,788	52,203,436
Social affairs	0	0
International affairs	0	0
Government affairs	0	0

Financial Statements and Financial Statements Highlights

Financial Statements

The NEB's Financial Statements can be found on the NEB's website.[xxii]

Financial Statements Highlights

The National Energy Board operates on a full accrual accounting basis according to Treasury Board's policy for reporting based on generally accepted accounting principles (GAAP). The tables below provide highlights from the NEB's Statement of Operations and Statement of Financial Position, as presented in its 2015-16 financial statements. As such, differences do exist between these tables and those presented in other sections of the Departmental Performance Report, which are prepared on the modified cash basis of accounting.

Condensed Statement of Operations
For the Year Ended March 31, 2016 (dollars)

Financial Information	2015–16 Planned Results	2015–16 Actual	2014–15 Actual	Difference (2015–16 actual minus 2015–16 planned)	Difference (2015–16 actual minus 2014–15 actual)
Total expenses	91,503,211	98,624,642	90,281,795	7,121,431	8,342,847
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	91,503,211	98,624,642	90,281,795	7,121,431	8,342,847

The variance between 2015-16 actual and planned expenditures is primarily due to additional funding received (Budget 2015) in the fourth quarter of 2015-16 to cover expenses related to safety and environmental protection, and enhancing engagement with Canadians.

The significant increase in actual expenditures from the previous year is primarily due to an increase in transfer payments for the Participant Funding Program ($2.2 million); an increase in salaries mainly related to hiring FTEs under Budget 2015 for safety and environmental protection and enhanced engagement with Canadians ($4.2 million), an increase in amortization mainly related to a leasehold improvement to the new office in Calgary ($1.3 million) and an increase in professional services mainly related to central initiatives, change management and the hearing process ($3.2 million). At the same time there was a decrease in the relocation costs to a new office within Calgary ($2.6 million).

Condensed Statement of Financial Position As at March 31, 2016 (dollars)

Financial Information	2015–16	2014–15	Difference (2015–16 minus 2014–15)
Total net liabilities	19,031,783	28,439,130	(9,407,347)
Total net financial assets	13,189,146	11,847,875	1,341,271
Departmental net debt	5,843,637	16,591,255	(10,747,618)
Total non-financial assets	22,873,096	24,928,416	(2,055,320)
Departmental net financial position	17,029,459	8,337,161	8,692,298

Total net liabilities and Departmental net debt have a decrease of $9.4 million and $10.7 million, respectively. Overall Departmental net financial position has improved by $8.7 million. This is mainly due to adjustment of a levy under the Section 5.2(1) of the *National Energy Board Recovery Regulations* that was invoiced for levies and collected from newly regulated parties in 2014-15. In 2014-15, there were payables of $11 million, representing levies collected from newly regulated parties. These amounts reduced the cost recovery levies of the other regulated parties and were recorded as payable to these parties until this adjustment was made in the year after the Section 5.2(1) levy had been invoiced.

Section III: Analysis of Programs and Internal Services

Programs

1.1 Energy Regulation

Description

This program provides the regulatory framework under which the NEB carries out its mandate and achieves part of its strategic outcome. Specifically, it enables Canadian federally regulated energy infrastructure to be developed and supervised throughout its lifecycle. The regulatory framework includes components such as setting expectations for industry and others, monitoring and enforcing compliance with requirements, measuring performance of the NEB's regulatory framework and focusing on continual improvement. The authority for this program is derived from the NEB Act, COGOA, CPRA, the *Canada Labour Code* and other associated regulations and guidelines. Energy regulation provides Canadians with safe, reliable and efficient energy supply.

Program Performance Analysis and Lessons Learned

The NEB has continued advancing improvements in 2015-16 and has completed additional activities to support performance against organizational priorities and expected outcomes.

Highlights of the past year's work include:

- The *Energy Safety and Security Act* (ESSA)[xxiii] came into force in February 2016. This Act strengthens the NEB's ability to regulate activities in the North and Canadian Arctic. The ESSA also amends the *Canada Oil and Gas Operations Act*, and introduced a number of new tools for regulating Northern oil and gas activities in the NEB's jurisdiction. For example, the NEB now has the authority to establish an administrative monetary penalty (AMP) regime under COGOA and the ability to provide participant funding for certain projects under COGOA. The Act also introduces a new financial responsibility requirement on companies for liability purposes.

- The *Pipeline Safety Act* received royal assent in June 2015, and as a result the NEB worked diligently to prepare for its coming into force in June 2016. The most significant changes to the NEB Act relate to absolute liability and financial resource requirements, abandonment, pipeline releases, damage prevention, as well as audit and enforcement powers. Some of the specific changes result from the new legislation include:

- NEB-regulated companies operating pipelines that have the capacity to transport at least 250,000 barrels per day of oil will be liable for all costs and damages for an unintended release, up to $1 billion, regardless of fault. The remaining pipeline companies under NEB jurisdiction will have absolute liability limits set through regulations.

- New regulations for damage prevention were made, which lay out the obligations of those planning construction of facilities, ground disturbance activities or vehicle or mobile equipment crossings in the area of an NEB-regulated pipeline, as well as the obligations of pipeline companies.

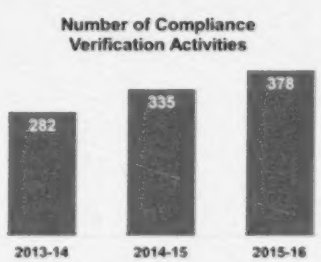
- The NEB's jurisdiction has been expanded to provide oversight of pipelines post-abandonment. Companies will remain liable for post-abandonment costs and damages. It also provides the NEB with new powers for Inspection Officers, and new authority to assume control of an abandonment or abandoned pipeline if a company is not complying with a Board order.

- The Governor in Council was provided the authority, in the event of a pipeline release, to "designate" a company if it either does not have the ability to pay for the release, or does not comply with a Board order, and for the NEB to take over spill response

- In June 2015, the NEB updated six sections of the Filing Manual[xxiv] to provide more guidance on information requirements to regulated companies when preparing their project applications. The NEB's Filing Manual assists applicants in understanding the NEB's expectations about information that should be included in an application under the *National Energy Board Act*.

- The NEB introduced innovation in hearings such as video broadcasting services for hearings and proceedings for Trans Mountain Expansion proceedings and other hearings in 2015-16. There were more community outreach activities, town hall sessions and enhanced consultation as part of the NEB process in adjudicating applications.

- The NEB increased the number of compliance verification activities (CVA) in 2015-16 compared to the past two years. This includes inspections; management system audits; emergency exercise evaluations; emergency procedure manual reviews; compliance meetings and reviews of post-



construction monitoring reports. Compliance verification activities are planned and in addition new ones may occur throughout the year in order to respond to new issues.

- Since 2013-14, a component of the NEB's approach to regulating pipelines had been to set and meet targets for the number of inspections and audits it conducted annually. In 2015-16, the NEB reviewed that practice, as the organization wanted to reflect upon whether setting targets actually led to safer energy infrastructure and fulfillment of the NEB's Strategic Priority of Taking Action on Safety.

- In December 2015, the NEB released a Pipeline Performance Measures Data Report[xxv] which is a compilation of 2014 data from twenty-five companies that are required to report on safety-related activities. The data for the leading indicators in this report is meant to promote continual improvement in managing the safety of pipelines and to inform the NEB's risk modelling and analysis. The NEB intends to conduct trend analysis with multi-year data and although this is only the second round of reporting, there are already indications by companies of a high achievement rate of planned activities.

- The NEB's commitment to robust regulatory practices and transparency was reflected in the launch of the online NEB condition compliance table[xxvi] in 2015-16. That work was done in response to the Board's review of the audit entitled *Oversight of Federally Regulated Pipelines*[xxvii], by the Commissioner of the Environment and Sustainable Development. The NEB has also aggressively moved forward to centralize a number of risk assessment activities and to pursue new ways to meet key staffing challenges. These moves were part of a renewed commitment by NEB leadership to transform the organization through clear principles of governance, strong operating practices and accountabilities for every component of the National Energy Board.

- The NEB has fully implemented the five recommendations from the CESD's 2014 Audit on Implementation of the *Canadian Environmental Assessment Act*, 2012[xxviii] according to the management action plan.

- The NEB continued to pursue a commitment of openness and transparency and in spring 2015, consulted with the public regarding company pipeline emergency response plans and obtained their views on the level of detail that would be useful to them. Pipeline companies were also consulted in order to determine how they could share their plans. As a result, in early April 2016, the NEB ordered companies to publish the majority of their emergency procedures manuals to their internet sites for

public viewing by fall 2016[xxix]. This will give the public access to emergency response information that may be relevant and important to them.

- Compliance and enforcement information has been available on the NEB's website since 2011 and each year the NEB continues to make more information available. For example, this past year, the NEB started posting its evaluations of emergency response exercises carried out by companies at specific locations. Through these evaluations, the NEB verifies that companies are prepared to respond in case of an emergency. The NEB also worked on a new system, process and tools in order to make inspection reports available on its website. Easy access to these reports is unique among regulators and helps the public to understand how the NEB takes action on safety.

- The Participant Funding Program (PFP) at the NEB has been in place for five years to facilitate public participation in adjudication of energy projects. The PFP had its first evaluation[xxx] which confirmed that there is continuing need for it to support participation in NEB processes and it aligns with the responsibilities and priorities of the government and the NEB. Improvements to the design and delivery of PFP were made in response to the recommendations of the evaluation.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
49,588,459	52,632,974	62,723,358	43,185,092	(9,447,882)

Human Resources (Full-Time Equivalents [FTEs])

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
334.8	251.5	(83.3)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Regulated activities are conducted in accordance with regulatory requirements	Number of inspections conducted per fiscal year	150	177
	Per cent of planned compliance activities that are completed	100%	100%
	Number of audits conducted per fiscal year	6	5

The outstanding audit commenced and the release of the finalized report was delayed in order for all technical aspects of the particular audited program to be evaluated.

1.2 Energy Information

Description

Under this program, the supply, demand, production, development, transmission and trade of energy are analyzed to ensure the requirements of Canadians are appropriately met. Advice is provided on energy issues of interest. The Board uses energy information to inform its regulatory decisions and to produce publicly available assessments of energy trends, events and issues that may affect Canadian energy markets and the supply and demand for energy.

Program Performance Analysis and Lessons Learned

In 2015-16, the Board continued to focus on providing Canadians with clear and accessible energy information by monitoring energy markets, gathering and analyzing data, and publishing energy information products. The NEB has made its publications fully accessible on its website and more visually interesting through the increased use of infographics. The Board is also increasingly publishing the data it uses in many of its reports.

In an effort to widen its audience and more effectively deliver information, the Board has embraced the use of social media to announce and disseminate its energy information products (e.g. the tweeting of key graphics and charts). Most notably, the NEB launched ground-breaking data visualizations related to its Energy Futures report (see below). These have been widely showcased across government, and since their publication on the NEB's website, have provided Canadians with an innovative vehicle for understanding and conceptualizing Canada's energy landscape.

- These publications include:
  - *Canada's Energy Future 2016: Energy Supply and Demand Projection to 2040* (Energy Futures)[xxxi]: A long-term outlook (with summarized key findings) that covers all energy commodities across all provinces and territories. This report is based on input and data from energy experts across government, industry, academia and environmental organizations as well as energy market expertise from within the NEB. A supplemental report, "Canada's Energy Future 2016: Province and Territory Outlooks"[xxxii], was released in May 2016. An update to the main report is underway and will be released in fall 2016.

  - *Energy Futures Supplement: Demand Sensitivities*[xxxiii]: Released in April 2015, this companion publication to the 2013 version of Energy Futures provides further information on long-term Canadian energy use in several sector-specific areas.

  - *The Unconventional Gas Resources of Mississippian-Devonian Shales in the Liard Basin of British Columbia, the Northwest Territories, and Yukon* (Energy Briefing Note)[xxxiv]: This report presents the joint assessment by the NEB and several provincial and federal departments of an area that straddles several Canadian jurisdictions. The study examines detailed information about the area and its potential as a gas resource.

  - *Short-term Canadian Natural Gas Deliverability 2015-2017* (Energy Market Assessment)[xxxv]: This report examines the factors that affect natural gas supply in Canada and presents an outlook for deliverability.

  - *Canadian Energy Dynamics: Highlights of 2015* (Energy Market Analysis)[xxxvi]: This is an annual, easy-to-read retrospective of energy market highlights.

  - *Canadian Energy Overview 2014* (Energy Briefing Note)[xxxvii]: This provides basic annual data on Canadian energy supply and markets.

- The NEB also published 47 Markets Snapshots[xxxviii] on emerging trends in various segments of the energy market, including oil, natural gas, natural gas liquids, and electricity (including renewables).

- The NEB has increased availability of pipeline and safety information with a focus on mapping. For example, the NEB collaborated with the United States and Mexico to develop a North American Energy Infrastructure Map[xxxix]. The NEB also launched an Interactive Pipeline Incident Map in April 2015 on its website. This plots incident data (related to the *Onshore Pipeline Regulations*) from 2008 to the present on an interactive map of Canada. The data on the map is regularly updated and can be downloaded. This achievement reflects the NEB's commitment to transparency and providing accessible data on the safety and performance of pipelines. It also supports the government's open data and web renewal initiatives.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
5,982,273	5,620,814	8,475,092	9,018,344	3,397,530

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
42.9	48.1	5.2

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Canadians access energy related analysis and information	Number of visits to the Energy Information webpage or material per fiscal year	≥500,000	544,244

Internal Services

Description

Internal services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. Internal services include only those activities and resources that apply across an organization, and not those provided to a specific program. The groups of activities are Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; and Acquisition Services.

Program Performance Analysis and Lessons Learned

In support of organizational priorities and NEB programs, Internal Services planned activities were carried out, several of which are government-wide led initiatives. The NEB will leverage previous work to improve the program alignment architecture in creating a new Departmental Results Framework. This new approach will not only allow us to report more effectively to Canadians on what they want to know about the National Energy Board, it will also allow us to transform and modernize as the Framework will provide clear lines of sight and more robust accountabilities for NEB staff and leadership.

- As part of government-wide Human Resource and Financial modernization, the NEB achieved a major milestone by successfully on-boarding on to the new the Human Resource information technology application, My GCHR, effective March 2016, and Phoenix, the pay system, effective April 2016. To on-board successfully, the NEB engaged in data cleansing, new business processes development, staff training, and identifying and managing risks, which, with Phoenix, were considerable.

- The NEB advanced work in being compliant with the Government's *Directive on Open Government* and achieved a major milestone by finalizing the Implementation Plan for 2015-16. The activities that have taken place at the NEB include broad internal engagement to identify and develop a data set inventory. Some data sets may be eligible for release on the data portal (open.canada.ca) by October 2016. This will support the Government's plan to increase transparency and accountability to Canadians and increase citizen engagement and open dialogue.

- The NEB has continued its work on web-renewal—another government-wide initiative to consolidate all government websites into a single point of entry at Canada.ca, where the NEB belongs to the Environment and Natural Resource theme; the NEB is also addressing its priority of "Engaging with Canadians" and providing access to information about the NEB. In the meantime, the NEB also made further

improvements to its current external website by introducing a new layout, with the intent to make it easier for the public to search and retrieve information.

- The NEB initiated specific steps to comply with the Government's *Directive on Recordkeeping* in order to improve record keeping practices and systems including creating an inventory of records with business value, raising awareness about information management, and providing training. Work continues on this initiative as planned, for full implementation in 2018.

- The government's horizontal audit on Information Technology Security (February 2016) contained recommendations that the NEB has been working to implement. Some relate to updating policies, incident management plans and processes. The activities involved to address the recommendations will require until the end of 2017 to fully implement.

- As the Centre 10 building is both the NEB headquarters as well as a location of regulatory hearings, steps were taken to enhance physical security for staff and guests.

- Steps were taken to make internal improvements to the cost recovery process, deadlines for invoicing companies were met and there was increased interaction with regulated companies to provide updated information and respond to inquiries.

Budgetary Financial Resources (dollars)

2015–16 Main Estimates	2015–16 Planned Spending	2015–16 Total Authorities Available for Use	2015–16 Actual Spending (authorities used)	2015–16 Difference (actual minus planned)
21,249,778	19,296,723	25,238,978	30,193,132	10,896,409

Human Resources (FTEs)

2015–16 Planned	2015–16 Actual	2015–16 Difference (actual minus planned)
93.5	157.9	64.4

Staff from Legal Services and Communications Business Unit were part of planned FTEs in the Energy Regulation Program for the 2015-16 RPP; however these FTEs were moved into Internal Services and thus account for the variance between actual and planned FTEs.

Section IV: Supplementary Information

Supporting Information on Lower-Level Programs

Supporting information on lower-level programs is available on the National Energy Board's website.[xl]

Supplementary Information Tables

The following supplementary information tables are available on the National Energy Board's website.[xli]

- Departmental Sustainable Development Strategy
- Internal Audits and Evaluations
- Response to Parliamentary Committees and External Audits
- User Fees, Regulatory Charges and External Fees

Federal Tax Expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the Report of Federal Tax Expenditures.[xlii] This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs. The tax measures presented in this report are the responsibility of the Minister of Finance.

Organizational Contact Information

Headquarters Calgary	517 Tenth Avenue SW Calgary, Alberta T2R 0A8	**Office:** 403-292-4800 **Toll free:** 1-800-899-1265
Regional Montréal	505 De Maisonneuve Blvd. West, Suite 230, Montréal Québec H3A 3C2	**Office:** 514-283-3114 **Cell:** 514-240-0469
Regional Vancouver	800 Burrard Street Room 219, Vancouver, British Columbia V6Z 0B9	**Office:** 604-666-3975 **Cell:** 604-360-5094
Regional Yellowknife	5101 50th Avenue Suite 115, P.O. Box 2213 Yellowknife, Northwest Territories X1A 2P7	**Office:** 867-766-8408 **Fax:** 867-766-8410
	Fax: 403-292-5503 **Toll free:** 1-877-288-8803 **TTY (teletype):** 1-800-632-1663	
	http://www.neb-one.gc.ca	
	info@neb-one.gc.ca	
	@NEBCanada	

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Reports on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*)**:** A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*)**:** What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plans (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorité*)**:** Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*)**:** A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*)**:** A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

results (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (*cible*): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

Whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

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